

WATERWAYS

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USF&W says its

'Alternative E' comments extended

The U.S. Fish and Wildlife Service (USF&W) last month released the new preferred alternative, called "Alternative E," of the long-range plan for the Upper Mississippi River National Wildlife and Fish Refuge. At the same time, the service has extended its public review and comment period by 30 days. The new deadline for public comment is March 6, 2006.

Forums being held

USF&W is also holding nine open houses and public forums along the upper river corridor.

The service says Alternative E contains several major changes, based on input during

public hearings and written input last summer.

Among the changes are dropping restrictions on areas open to camping and adding new regulations on glass containers; phasing out permanent hunting blinds in some pools; dropping three of six proposed no-hunting zones around public-use facilities; dropping no fishing and no motors provisions for waterfowl hunting in closed areas in favor of "voluntary avoidance."

Most visited

The refuge hosts more than 3 million visitors a year and, says USF&W, is the most visited in the country. There are 11 locks and dams within the refuge boundaries.

Comments can be made at

the forums, or by mail.

After the comment period closes, USF&EW will prepare a final comprehensive conservation plan and environmental impact statement and release them to the public this coming summer.

Meanwhile on the Missouri

Elsewhere on the system, another on-going issue is making news.

Missouri Governor Matt Blunt (R) is warning the Corps of Engineers that the state is ready to go to court to stop a planned spring rise on the Missouri River next year.

At this point the Corps' plan calls for two spring pulses in March and May to comply with a 2003 U.S. Fish and Wildlife Service biological opinion. The pulses are meant to mimic the historic cycles on the Missouri and are considered essential to the reproduction of the endangered pallid sturgeon.

Missouri officials say that planned releases from the Gavins Point Dam near Yankton, S.D., could add as much as 3 feet to the river channel and potentially flood millions of acres of farm land.

Two federal courts have upheld the Corps plan for the Missouri River. It was developed after months of meetings with farmers, navigation interests, environmentalists and local governments and attempts to balance those interests.

The Corps expects to release a final plan soon.

Columnist notes 'demise' of port

Minneapolis *StarTribune* columnist Doug Grow recently noted that city staff members are preparing a plan to dispose of the city owned towboat Mv. Rose Bee.

It is, Grow says, "another sign of the demise of Minneapolis as a port on the Mississippi River." He goes on to note that "sometime in the next decade, it's likely that condos and kayaks will completely replace warehouses and barges above the locks at St. Anthony Falls."

The columnist doesn't

go into the politics of the issue, the reasons for recent declines in river traffic, nor does he talk about the number of trucks such a closing will place on city streets. However, he did talk to MNDOT's Dick Lambert who, "believes that the city has discouraged industry from developing along the river with heavier-than-necessary regulation."

"The ugly little Rose Bee just doesn't fit in a city that values beauty over industry," notes Grow.

Executive Director's Report...

"Supply-demand balance has finally arrived for the dry-cargo barge market" was a headline in a recent national publication.

Many can recall the go-go 1970s when Russia was importing record levels of grain - and paying for it. This latter point is significant because even during the height of the cold war, Russia had a reputation of paying cash for purchases, a rarity for the time.

AS A RESULT of unprecedented foreign demand accompanied by favorable tax laws, manufacturers of bottoms (rail, truck and barge), along with newly formed investment groups were tripping over themselves to bring much needed equipment into the system.

To encourage shipper-furnished cars, railroads were paying empty return mileage rates of upwards to \$1 and more per mile for covered hopper cars against supplies that were so tight that rail car manufacturers were importing car kits from Romania to satisfy demand for privately leased cars. In many circumstances, railroad return mileage equaled or exceeded the car's monthly lease rate, encouraging yet more investment.

ON THE RIVER, an almost insatiable demand for service encouraged near-uncontrolled investment in dry-cargo barges, and resulted in the purchase by at least one large grain enterprise, of its own barge line.

With the bursting of the Russian grain bubble and an overnight collapse in the demand for grain transportation, the barge and agricultural industries found themselves facing balance sheets red with top-dollar investments and a national glut of unwanted rail cars and barges.

The savior for railroads was passage of the 1980 Staggers Act mandating the sun setting of the Interstate Commerce Commission (which regulated rail rates) and ushered in contract rates, national end-to-end rail mergers and long

sought profitability.

Barge lines, for their part, have been struggling for the last three decades with various problems, not the least of which was an oversupply of barges chasing a finite amount of freight.

THE JANUARY issue of *WorkBoat* reports that barge supply and demand lines finally crossed in mid-2004, apparently bringing equilibrium to that portion of the industry.

"Fleet size has dropped nearly 9 percent in the last seven years, a sizable chunk of both the open and covered barge fleets are at or near the end of their useful 25-to-30 year lives, and consolidation has left a handful of major players controlling two-thirds of the market," said American Commercial Lines board member Richard Huber.

THE ARTICLE reported that barge attrition is expected to be about 25 percent of the current dry-cargo barge fleet of 18,200 over the next six years. That's because approximately 25 percent of the fleet was built from 1979-1981.

The article also quotes the President of American Waterways Operators who said: "Companies have been much smarter about rebuilding capacity based on market demand rather than speculation." Now, barge construction is mainly for replacement instead of adding capacity.

STATING THAT the barge industry has not consolidated as much as rail, where there are only a few big players, Huber said there is still room for more consolidation.

"There are still a large number of small- and medium-size operators, and bigger operators have the opportunity to be more efficient," said Craig Philip, President and CEO of Ingram Barge Company.

Thomas Allegretti, President of AWO, sees more consolidation ahead, too.

"The customers our industry serves continue to get larger and demand more efficiency," he said. "I expect it won't be at the same pace you've seen it, but I don't think it's over."

Storm's economic impact continues

As economic repercussions from this season's hurricanes continue to grow, so too does the realization of the importance of the river system and the Port of New Orleans.

As pointed out recently by Donald Pierson, assistant secretary, Louisiana Economic Development, restoration of the port and its facilities is vital to the country for a lot of reasons, including the fact that 30% of the fuel used by cars and trucks in the U.S. is refined in the area, and much of it goes up river.

Higher fuel prices translate into surcharges for shippers on all modes and ultimately higher prices for customers.

Pierson also points out that, "Louisiana is also an important transportation hub. The Mississippi River provides a conduit by which materials and energy is delivered to thousands of businesses."

He also reminded decision makers that the port is a transfer point for crops from Middle America which come by barge and are loaded onto vessels.

Port will be back

Pierson says all of this means that it is certain the Port of New Orleans and the city itself will come back.

Damage at the port itself is estimated at \$1.7 billion. In late November U.S. Transportation Secretary Norman Mineta released \$40 million more dollars to the area for road and bridge work to fix Hurricane Katrina damage. And the Bush Administration is asking Congress for \$2.3 billion more to fix roads and bridges damaged by the 2005 hurricanes.

Cement tight

The huge demand for reconstruction resources in the Gulf area is likely to mean a continued tight supply of cement. A strong economy in 2006 and construction demand will mean that cement supplies will be tight or short in some areas, according to Portland Cement Association Chief Economist Ed Sullivan.